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Meeting convened pursuant to article 56, paragraph 3,
of the International Cocoa Agreement, 1993
London, 22 February 1994

Report of the Chairman of the Meeting

1. The Secretary-General of UNCTAD, acting on behalf of the Secretary-General of the United Nations, invited, in accordance with article 56, paragraph 3, of the International Cocoa Agreement, 1993, those Governments and intergovernmental organizations which had deposited instruments of ratification, acceptance or approval, or had notified the depositary that they would apply the Agreement provisionally, to meet on Tuesday, 22 February 1994 and to decide whether to put the Agreement into force provisionally or definitively among themselves, in whole or in part.

2. The Meeting was held at the Headquarters of the International Cocoa Organization in London on Tuesday, 22 February 1994.

3. The following parties to the Agreement were represented at the Meeting: Belgium/Luxembourg, Brazil, Cameroon, Côte d'Ivoire, Ecuador, European Community, Finland, France, Gabon, Germany, Ghana, Greece, Grenada, Jamaica, Japan, Malaysia, Netherlands, Nigeria, Norway, Sierra Leone, Spain, Sweden, Switzerland, Togo, Trinidad and Tobago and the United Kingdom. The following parties to the Agreement were not represented at the Meeting: Denmark and Hungary. The following States signatories to the Agreement were represented by observers: Ireland, Italy and Slovakia. The following other States were represented by observers: Austria, Belarus, Colombia, Cuba, Indonesia, Mexico, Peru, Portugal and Russian Federation. The following intergovernmental organizations were represented by observers: Cocoa Producers Alliance, Commonwealth Secretariat, and Food and Agriculture Organization of the United Nations.

4. The Chairman of the Meeting was Mr. C. Fortin, Deputy to the Secretary-General of UNCTAD and Director of the Commodities Division.

5. The Chairman welcomed the participants on behalf of the Secretary-General of UNCTAD, who had convened the meeting in consultation with the Executive Director of the International Cocoa Organization. He recalled that the International Cocoa Agreement, 1993 had not entered into force on 1 October 1993, the date specified in article 56, paragraphs 1 and 2. For the Agreement to have entered into force, provisionally or definitively, on that date, it was necessary that Governments representing at least five exporting countries accounting for at least 80 per cent of the total exports of countries listed in Annex A to the Agreement and Governments representing importing countries having at least 60 per cent of total imports as set out in Annex B of the Agreement had deposited the required instruments by 1 October 1993. The targets had not been met by that date. Consequently, the Meeting had been called pursuant to paragraph 3 of article 56 of the Agreement, by the Secretary-General of UNCTAD, acting on behalf of the Secretary-General of the United Nations (who is the depositary of the Agreement).

6. The Chairman summarized the action taken so far by interested Governments. Thirteen countries, representing 86.92 per cent of exports had deposited the required instrument with the Secretary-General of the United Nations; 14 countries, representing 54.56 per cent of imports had deposited the required instrument with the Secretary-General of the United Nations (cf. annex II). The exporters had fulfilled their target, but importers were still short of 5.44 per cent of theirs. In any event, the targets should have been met by 1 October 1993. He noted that Benin, Ireland, Italy and Slovakia had signed the Agreement, but had not submitted the required instrument with the depositary. They accounted for less than 1 per cent on the side of exports and 4.20 per cent on the side of imports.

7. The Chairman drew attention to the text of a draft decision prepared by the UNCTAD secretariat. The Senior Legal Adviser of UNCTAD said that it was the established practice, which was accepted by the depositary, to put a commodity agreement into force on the basis of a decision of the parties to the Agreement. The Chairman called on the representatives of the parties to the Agreement to indicate individually their concurrence with the decision. Following this, the Meeting adopted the decision unanimously. The text of the decision is annexed to this report (cf. annex I). He said that he would, without delay, inform the depositary of the decision.

8. The representative of the Côte d'Ivoire recalled the decisive role of the late President F. Houphouët-Boigny in the successful conclusion of the International Cocoa Agreement, 1993. The negotiation of the new Agreement had been difficult and long, but the spirit of compromise and partnership between producers and consumers had prevailed. The Agreement provided for the regulation of the cocoa markets with a view to limiting a downward fall of cocoa prices on the world market. He noted that many exporting and importing countries had not hesitated to become parties to the Agreement. A broad participation in the Agreement should make it possible to avoid the risks inherent in a parallel market operating outside the production management provisions of the Agreement. The Agreement enabled producers and consumers to

manage the market and to give the cocoa economy the vitality it had lacked over the last eight years. He wished to reaffirm the wish of his Government to observe the provisions of the Agreement and in particular those on production policy. Referring to the increase in competitiveness of products from African countries following the devaluation of the CFA franc, he gave assurance that his country's cocoa producers, who experienced a 20 per cent gain in terms of domestic prices, would not be encouraged to increase production, but rather to improve the quality of their products and to diversify their activities, with special emphasis on staple foods. His Government was ready to support measures of follow-up and control and, if necessary, sanctions, in the context of the production management mechanism of the Agreement.

9. The representative of Portugal informed the Meeting that her country would complete its constitutional procedures in the next few days. Portugal would then be a party to the Agreement.

10. The representative of The Netherlands, speaking on behalf of the importing countries, and the representative of Côte d'Ivoire, speaking on behalf of the exporting countries, expressed their satisfaction at the successful outcome of the negotiations on the new Agreement. They welcomed the decision to put the Agreement into force. They noted that the Agreement established the basis for cooperation by consumers and producers in the management of production. They expressed the hope that all interested countries would soon become participants in the Agreement.

11. The spokesman for the European Community welcomed the decision to put the Agreement into force. He said that member States of the Union would work towards the successful implementation of the Agreement.

12. The Executive Director of the International Cocoa Organization expressed his appreciation to all those officials who had contributed to the successful negotiation and the putting into force of the International Cocoa Agreement, 1993.

13. Concluding the proceedings, the Chairman recalled that in the Cartagena Commitment adopted by the eighth session of the United Nations Conference on Trade and Development, held in 1992 in Colombia, Governments had urged producers and consumers of individual commodities to make an examination of ways and means for reinforcing and improving their cooperation in order to contribute to the solution of problems in the field of commodities. Recognizing that such cooperation could take various forms, Governments had stressed that the particular characteristics and situation of each individual commodity should be taken into account. The successful conclusion of the negotiations on successor agreements on sugar in 1992, on olive oil and table olives and on cocoa in 1993 and on tropical timber in 1994 represented an important step in the achievement of the goals set out in the Cartagena Commitment. He recalled that when the United Nations Cocoa Conference, 1992 had opened, there had been a clear consensus that healthy and predictable conditions in the cocoa trade were in the interest of all participants in the international cocoa market. The new Agreement, which itself represented a new contribution to commodity policy in that its main economic feature was a production policy mechanism, had the merit of simultaneously seeking to promote the expansion and diversification of international trade in cocoa and cocoa products. He pledged the full support of UNCTAD in the Council's work in implementing the International Cocoa Agreement, 1993.

ANNEX I

DECISION

The Governments of the States, and the intergovernmental organization, listed in annex A to the present decision,

Acting pursuant to article 56, paragraph 3, of the International Cocoa Agreement, 1993,

Having met in London on 22 February 1994,

Noting that the Governments of 13 exporting countries, accounting for 86.92 per cent of total exports as set out in annex A to the Agreement, and the Governments of 14 importing countries accounting for 54.56 per cent of total imports as set out in annex B to the Agreement, and one intergovernmental organization, have deposited their instruments of ratification, acceptance, approval or accession, or have notified the depositary that they will apply the Agreement provisionally when it enters into force,

1. Decide to put the International Cocoa Agreement, 1993, into force provisionally among themselves in whole as of 22 February 1994;

2. Further decide that any State listed in annex B to the present decision may notify the Secretary-General of the United Nations that it accepts the present decision, and that any State that so notifies the Secretary-General shall be deemed to be listed in annex A to the present decision.

Annex A

Belgium/Luxembourg
Brazil
Cameroon
Côte d'Ivoire
Ecuador
European Community
Finland
France
Gabon
Germany
Ghana
Greece
Grenada
Jamaica
Japan
Malaysia
Netherlands
Nigeria
Norway
Sierra Leone
Spain
Sweden
Switzerland
Togo
Trinidad and Tobago
United Kingdom

Annex B

Denmark
Hungary

ANNEX II

STATUS OF SIGNATORIES, RATIFICATIONS OR NOTIFICATIONS

Producers	Percentage for the purpose of entry into force (Article 56)
Brazil	11.97
Cameroon	5.28
Côte d'Ivoire	35.37
Ecuador	4.49
Gabon	0.07
Ghana	12.54
Grenada	0.05
Jamaica	0.07
Malaysia	10.10
Nigeria	6.16
Sierra Leone	0.41
Togo	0.36
Trinidad and Tobago	0.05
Total	86.92

Consumers	Percentage for the purpose of entry into force (Article 56)
Belgium/Luxembourg	3.75
Denmark	0.31
Finland	0.32
France	6.72
Germany	14.90
Greece	0.43
Hungary	0.53
Japan	3.05
Netherlands	11.40
Norway	0.36
Spain	2.50
Sweden	0.68
Switzerland	1.68
United Kingdom	7.93
Total	54.56